



## MEMORANDUM

**TO:** Marijuana Control Board

**DATE:** August 6, 2020

**FROM:** Glen Klinkhart, Interim Director

**RE:** Working Group Project Update

Members of the Board,

As part of the board and AMCO's desire to assist in ongoing communications and to increase problem solving opportunities we proceeded with a test program to have a working group project implemented. As part of this test, the board agreed to try a pilot working group project around the subject of "Transportation". Board member Nick Miller and I narrowed down the topic to one specific area of Transportation, which was around issues concerning originating licensees having to use multiple processes to hub product and the overburdening on licensees who are holding layover items during this time.

Mr. Miller and I set the date of a working group meeting for Thursday, August 6, 2020. The public notice was put out and over a dozen people including industry leaders, transportation representatives, AMCO enforcement, and the public attended the online Zoom meeting. This was also an opportunity for AMCO to test a paid version of the Zoom online meeting system in the hopes a paid licensed version will work for this and for other board meetings in the future.

### **What is the advisory goal of this working group?**

*Attempt to find consensus regarding the ability for licensees to permit layovers at licensed facilities ("hubbing") on a single METRC manifest*

During the meeting many problems with the current process for transporting and hubbing product at participating licensed premises were voiced by the participants:

- Many product transfers (i.e., deliveries) require >24 hours of travel and overnight stays to arrive at the destination. Hub product goes into the participating licensees' METRC system
- If a transporter later has the product rejected, the current process has the product connected to the participating hubbing licensee, not the originator licensee.

- This is a liability issue
- This is a potential taxation issue
- It is an efficiency issue
- It is a paperwork issue
  - All of which creates more room for errors
- It takes control away from the originating licensee and puts the burden on the participating hubbing licensee.
  - Most hubbing licensees are providing this temporary storage service as favor to other licensees.

It was discussed to determine if there is a way for the hubbing to be done within METRC where the manifest is always in the system of the originating licensee/transporter, and not just transferred in the participating hubbing licensee's system.

**Idea/Concept:**

It was mentioned METRC has a potential option already within their database for such a situation. This "layover" function is already being used in METRC in other states, such as California.

The concept was to try and use this layover function to permit the Originating Licensees using one manifest in METRC there they will detail a "layover" at a licensed facility. This would require that the Originating Licensees be permitted to store shipments at a licensed marijuana facility (layover location) without the METRC manifest being accepted into the layover location's METRC system. Shipments would be manifested from the Originating Licensee to the destination Licensee with the layover identified and described in the "Route to be Traveled" section of the manifest. The layover licensee would store the delivery in a secure Restricted Access Area, under view of security cameras, until it can be transported to the destination. This approach would likely result in less administrative burden for licensees and would likely reduce the number of METRC errors.

The one concern raised by enforcement was this would not remove the burden on the participating hubbing licensee and that a process for proper handoffs, chain-of-custody, documentation, and auditing still needs to be put into place.

Additionally, it was discussed that a process involving a type of hubbing endorsement may be something the board may wish to entertain in the future.

**Action Items:**

AMCO and the Investigations Unit agreed to research the METRC database layover option to see:

- a. How exactly it works.
- b. Request to test the option in a safe electronic testing METRC "sandbox"

- c. Consider having volunteer industry licensees assist in the sandbox testing for their input
  - a. Many attendees expressed their willingness to assist with the testing

The results, costs, and any other issues discovered during the action items will be documented for possible presentation to the working group and eventually brought before the board for their review and consideration.

*Glen Klinkhart*  
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